COMMERCE-JUSTICE-STATE/Cable Rates Study

SUBJECT: Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill for fiscal year 1999 . . . S. 2260. McCain motion to table the Feingold amendment No. 3264.

ACTION: MOTION TO TABLE AGREED TO, 63-36

SYNOPSIS: As reported, S. 2260, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill for fiscal year 1999, will provide a total of \$33.239 billion in new budget authority, which is \$1.115 billion more than appropriated for fiscal year (FY) 1998 and is \$3.647 billion less than requested. The bill contains large spending increases for various law enforcement activities.

The Feingold amendment would make a number of findings regarding the rapid increase in cable television rates since passage of the Telecommunications Act of 1996, and the increased concentration of cable television systems at the national level since that time. It would then require the Federal Communications Commission (FCC), in light of those findings, to report to Congress on whether it was meeting its responsibilities to promote competition in the cable television industry and to ensure reasonable rates for cable television services, as those responsibilities are set forth in the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996. If the FCC determined that it was meeting its responsibilities, it would have to give a detailed justification for that determination. If it determined that it was failing to meet its responsibilities, it would have to report on the actions that it would take to correct that failure. The FCC would report to Congress no later than 30 days after enactment of this Act.

Debate was limited by unanimous consent. After debate, Senator McCain moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

Our colleagues are right to be concerned about rising cable television rates, but their amendment is ill-considered. There are

(See other side) NAYS (36) NOT VOTING (0) **YEAS (63)** Republicans Republicans **Democrats** Republicans **Democrats Democrats** (49 or 91%) (14 or 31%) (5 or 9%) (31 or 69%) (0)(0)Abraham Hutchinson Bingaman Coverdell Akaka Johnson Allard Hutchison Breaux D'Amato Baucus Kennedy Ashcroft Inhofe Bryan Gorton Biden Kohl Kempthorne Daschle Bennett Jeffords Boxer Lautenberg Bond Kyl Ford Specter Bumpers Leahy Brownback Hollings Lott Byrd Levin Cleland Lieberman Burns Inouye Lugar Campbell McCain Kerrey Conrad Mikulski Moseley-Braun Chafee McConnell Kerry Dodd Coats Murkowski Landrieu Dorgan Murray Cochran Nickles Moynihan Durbin Robb Collins Roberts Feingold Rockefeller Reed Craig Roth Reid Feinstein Sarbanes DeWine Santorum Torricelli Glenn Wellstone **VOTING PRESENT (1)** Domenici Sessions Graham Wyden Mack Shelby Enzi Harkin **EXPLANATION OF ABSENCE:** Faircloth Smith. Bob 1—Official Business Frist Smith, Gordon 2-Necessarily Absent Gramm Snowe 3-Illness Grams Stevens Grassley Thomas 4—Other Gregg Thompson Hagel Thurmond SYMBOLS: Hatch Warner AY-Announced Yea Helms AN-Announced Nay PY-Paired Yea PN-Paired Nay

VOTE NO. 227 JULY 22, 1998

several reasons why we should not demand a 30-day study of this issue. First, the time-frame is too short. Few issues are more complex than communications law. Any 30-day study would be deficient. Second, the amendment ignores that the FCC is already working on an annual study that it is required to prepare on cable rates. Third, we note that if our colleagues find the FCC's annual study to be insufficient, we do not know why they expect they will get a more revealing study if they demand that it be completed in 30 days. Fourth, the FCC does closely monitor cable rates, contrary to the apparent understanding of many of our colleagues. We know that the FCC is concerned about the rise in rates, but it notes that the increases have been higher than inflation because they have not been based on inflation, but on changes in such areas as the services provided and the increased costs in programming. The FCC has suggested means that Congress might consider to control cost increases, such as limiting cable companies' ability to pass on increased programming costs to consumers. To imply that the FCC is not working on the issue is simply false. Fifth, pushing through this amendment would preempt the work of the Commerce Committee, which is holding hearings on the subject. We have committees in Congress as a means of examining issues thoroughly before we act upon them. We do not think it is wise to bypass the Commerce Committee in this manner. Sixth, and finally, for those Senators who would like an independent analysis of this issue, we inform them that the General Accounting Office is currently working on a study of cable rates. The Feingold amendment would not serve any useful purpose. We therefore urge our colleagues to table it.

Those opposing the motion to table contended:

The Telecommunications Act was enacted in early 1996. One of the effects that Act was supposed to have was to lower cable television rates by increasing competition. However, for the past 2 years, the American people have watched with alarm as competition has decreased and cable rates have gone in exactly the wrong direction. The top two cable companies now control more than 50 percent of the cable television market, and the top four companies control more than 60 percent. At the same time as the industry has been consolidating prices have been going through the roof. Rates have been going up at more than three times the rate of inflation. Companies are getting away with high rates because in almost every place that cable exists (which is most of America now; more than two-thirds of homes have cable service), it exists as a monopoly service. Only 5 percent of the 94 million cable customers in the United States have a choice of more than 1 provider. Not surprisingly, in those few areas that have competition, prices are lower. We conclude from these facts that the FCC is not doing its job in promoting competition in the cable industry and in ensuring that rates are reasonable. Therefore, we have offered the Feingold amendment to make the FCC report to Congress on whether it agrees, and if so, what it intends to do to correct matters, and if not, why it does not. Our hope is that this amendment will lead to strong efforts to hold down rising cable rates and to promote competition in the industry. This amendment should not be tabled.